

REPORT DOCUMENTATION PAGE			Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.				
1. AGENCY USE ONLY (Leave blank)	2. REPORT DATE July 1998	3. REPORT TYPE AND DATES COVERED Final		
4. TITLE AND SUBTITLE Federal Supervisors and Strategic Human Resources Management		5. FUNDING NUMBERS		
6. AUTHOR(S) U. S. Merit Systems Protection Board				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Merit Systems Protection Board 1120 Vermont Avenue, NW. Washington, DC 20419		8. PERFORMING ORGANIZATION REPORT NUMBER		
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSORING/MONITORING AGENCY REPORT NUMBER		
11. SUPPLEMENTARY NOTES				
12a. DISTRIBUTION/AVAILABILITY STATEMENT  Approved for public release; distribution is unlimited		12b. DISTRIBUTION CODE		
13. ABSTRACT (Maximum 200 words)  This report is a new approach which effectively tapped the growing body of MSPB research reaching back 17 years. The premise of the report is that many of the problems that supervisors face in fulfilling their human resources management responsibilities spring from an organizational orientation towards short term accomplishments as opposed to long term goals. the report offers a number of recommendations to help agencies and supervisors make human resources management decisions in a broader, more strategic context.				
14. SUBJECT TERMS  Federal Government, human resources management, strategic planning		15. NUMBER OF PAGES		
		16. PRICE CODE		
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT	

19980716 031

THE CHAIRMAN



U.S. MERIT SYSTEMS PROTECTION BOARD  
1120 Vermont Avenue, N.W.  
Washington, D.C. 20419

June 1998

The President  
President of the Senate  
Speaker of the House of Representatives

Sirs:

It is my honor to submit this Merit Systems Protection Board report, in accordance with the requirements of 5 U.S.C. 1204(a)(3).

This report, *Federal Supervisors and Strategic Human Resources Management*, represents a new approach relative to previous MSPB studies. The purpose of this approach is to more effectively tap the growing body of MSPB research. The report derives its conclusions from our research on Federal supervisors reaching back 17 years, rather than relying exclusively on new data collected specifically for this project.

The premise of the report is that many of the problems that supervisors face in fulfilling their human resources management responsibilities spring from an organizational orientation towards short term accomplishments as opposed to long term goals. The report offers a number of recommendations to help Federal agencies and supervisors make human resources management decisions in a broader, more strategic context. We believe the recommended actions build upon the principles expressed in the Government Performance and Results Act.

We see this as the first in a series of reports dealing with issues related to effective management in the Federal government, particularly human resources management that better meets the goals of the statutory merit system principles. We plan in the future to use this "Perspectives" format to present concise, focused reports that present MSPB perspectives on various topics on which we have developed informed judgments based on the Board's research over the years.

Respectfully,

Ben L. Erdreich

## **U.S. Merit Systems Protection Board**

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# Federal Supervisors and Strategic Human Resources Management

*Over the past twenty years, the U.S. Merit Systems Protection Board (MSPB or Board) has published reports on Federal civil service issues that have addressed the critical role that Federal supervisors play in ensuring that the Government maintains a competent workforce that effectively and efficiently serves the American public. In fulfilling this role, supervisors are expected to perform a delicate balancing act, juggling their short term human resource management needs with long term goals for the organization's future workforce. Based on the studies and surveys of the Federal workforce that we have conducted over the years, it is our belief that supervisors are not achieving the right balance between short term and long term human resource management goals. That is, supervisors too frequently appear to be making personnel decisions that will quickly meet their immediate requirements, but often do not contribute to (and may even hinder) the future health of the organization's workforce, its competence, stability, and motivation. And an approach to management that gives insufficient consideration to the future shape of work and the workforce does little to advance the organization's overall strategic goals.*

*This paper looks at the work of Federal supervisors in light of what the Board has learned from its studies of Federal workplace issues and activities. We examine the problems—and their causes—that we believe supervisors have in performing their human resource management responsibilities, and we explore environmental factors that may worsen the situation in the future. Our findings suggest actions that might be taken by agency managers, the Office of Personnel Management, and the Congress to help Federal supervisors strike a better balance between short term goals and long term responsibilities as they perform their human resource management tasks. The paper concludes with a discussion of these actions.*

## Federal Supervisors' Performance of Human Resource Management Responsibilities

### **What are Federal supervisors' human resource management responsibilities?**

A Federal supervisor has many responsibilities, but in today's Federal Government, the primary focus for most supervisors—both in terms of time and effort spent—is ensuring that the technical, or mission-oriented, work of the organization gets done. This is the work that defines the unit—for example, accounting work in a finance and accounting center, engineering in an aerospace lab, or human resources in a personnel office. Yet, there are other responsibilities—those centering on the

management of the unit's employees—that are critical to the organization's success in accomplishing the mission-oriented work. For example, in order to get the work of the unit done, supervisors must motivate their employees to do the best job that they can do. Motivating employees involves rewarding and encouraging good performance, as well as handling performance and conduct problems that inhibit productivity. And to ensure that the right people are available to get the work done, supervisors must be involved in recruiting and selecting employees, and seeing to it that those

selected are adequately trained to meet job demands, especially as those job demands change.

### How well are supervisors doing this job?

To answer this question, we relied on Board study reports published over the last 17 years, as well as data from numerous Board surveys of the Federal workforce, including MSPB Merit Principles Surveys, surveys of specific human resource management issues (such as a 1994 survey on problem performers), and surveys administered to our standing panels of supervisors and managers, and personnel specialists.<sup>1</sup> Our research has led us to conclude that most Federal supervisors do a commendable job of performing the technical work of their units, but have a much harder time with the human resource management tasks that are necessary to the ongoing effectiveness of the organization. It is also our belief that this problem is strongly tied to supervisors' tendency to approach human resource management tasks from a fairly short-term perspective on what needs to be accomplished. Our research has noted at least three specific areas of human resource management in which such problems exist for supervisors—staffing, training, and performance management.

**Staffing.** "Staffing" is a broad term covering tasks associated with recruitment, assessment, selection, and promotion decisions. Board studies have found that supervisors too often succumb to the pressures of filling a vacancy quickly by restricting the recruitment of applicants or by using assessment or selection processes that get fast results, but may not produce the best candidates available. A 1995 Board study that looked at a particular Federal hiring rule,<sup>2</sup> found that when considering only a few candidates for a vacancy (in order to expedite the hiring process), supervisors may be sacrificing quality. The report on this 1995 study notes that "managers hold a very short-sighted view of their staffing responsibilities, allowing immediate staffing

needs to drive their hiring decisions when they should be focusing on the long term\*\*\*Such a decision-making process has potential long term negative consequences for the future quality of the Federal workforce." <sup>3</sup>

Similarly, a 1992 Board study of the Federal procurement workforce<sup>4</sup> and a 1993 study of Federal personnel offices<sup>5</sup> found that supervisors often make questionable selection decisions when they make inservice placements (i.e., place someone from within the Federal Government into a vacancy, frequently from a clerical or support position within the work group to a professional or administrative position). As noted in the procurement study report, "...[to] the extent that poor selections have been made through the use of inservice placements, supervisors must bear much of the responsibility. In our view, when inservice placement procedures are used to select people for contract specialist vacancies, managers need to look beyond the employees working for their immediate organization. Consideration should be given to employees with high potential regardless of where they work in the organization or even the agency."<sup>6</sup>

Why do supervisors choose to fill administrative and professional jobs through inservice placement when such selections often have poor results? There are a number of reasons why these actions are an attractive alternative for supervisors. Sometimes supervisors use inservice placements as a reward for productive, motivated support employees whose current jobs have no promotion potential. Promoting someone within the organization also may be easier for the supervisor from a logistical point of view—time and resources need not be spent breaking in an employee who's already working in the immediate organization. In addition, selecting an employee from within, rather than seeking outside candidates, lets supervisors avoid dealing with the frustration, disappointment,

<sup>1</sup> In 1996, to learn more about how human resource management changes were affecting Federal agencies, the Board established informal standing panels of approximately 1800 Federal supervisors and managers, and over 2000 Federal human resource management professionals. These informal panels—which are not statistically representative of all Federal managers and human resource management professionals—are periodically queried on specific human resource management issues, usually through short, mailed questionnaires.

<sup>2</sup> U.S. Merit Systems Protection Board, "The Rule of Three in Federal Hiring: Boon or Bane?" December 1995.

<sup>3</sup> Ibid., p. 32.

<sup>4</sup> U.S. Merit Systems Protection Board, "Workforce Quality and Federal Procurement: An Assessment," July 1992.

<sup>5</sup> U.S. Merit Systems Protection Board, "Federal Personnel Offices: Time For Change?" August 1993.

<sup>6</sup> U.S. Merit Systems Protection Board, "Workforce Quality....," op. cit., p. 53.

or anger that can arise when an internal candidate is not selected for the job. These are all understandable reasons for making inservice placements, but supervisors who choose this alternative for all or almost all vacancies may be trading short term gain for long term pain if the selectee's performance doesn't live up to the supervisor's expectations.

Of course, it's perfectly appropriate for supervisors to advance talented employees already in the organization. However, our research over the years has taught us that supervisors do their organizations a disservice when they select employees from within the organization merely to expedite the hiring process by avoiding a broader applicant search. To ensure all qualified applicants have had an opportunity to compete for positions, it is usually the best practice for supervisors to cast as wide a net as possible when searching for potential job applicants, and carefully evaluate candidates using the best assessment techniques practical, even if the process takes longer to complete. The consequences of a poor hiring decision can persist for a long time, and ultimately affect the performance of the entire work unit.

**Training and Development.** A number of our studies have addressed issues related to training and development and here, too, we have found that supervisors too often neglect the long term view. The findings of a 1995 Board study on training in the Federal Government<sup>7</sup> noted a number of problems with the way supervisors handle training decisions. According to that report, training decisions are often a matter of employees nominating themselves for training they would like to attend, and supervisors approving these requests with little or no regard for what kind of development is actually needed for each employee, and how it will ultimately affect the overall capability of the organization. Thus, the short term goal of getting employees into training courses (or sometimes, of expending all the allotted training funds) takes precedence over the long term goal of assessing training needs and developing a training strat-

egy to integrate those training needs with the organization's long range goals and mission.

Anticipating the skills and knowledge that employees will need in the future is another important aspect of supervisors' training responsibilities. To handle changing job requirements, supervisors must be able to envision where the organization is headed, and what training and development is needed to ensure that the current workforce heads that way, too. Through participation in developing a strategic plan for the agency and the work unit, supervisors should be able to delineate, to some extent, the specific types of skills and knowledge that will be needed by their employees.

The Board's research in this area suggests that this sort of activity really isn't taking place very often. In our study of training and development programs throughout the Federal Government,<sup>8</sup> we found that supervisors currently do not focus on determining training needs and avenues for training, as they relate to the organization's strategic plan. This neglect, however benign, has consequences. When supervisors do not tie training needs and development plans to long range organizational performance goals, the funds for those training needs and development plans become likely targets for elimination when budgets become tight (and budgets have become tight for most agencies in recent years).

There is also evidence from employees themselves that supervisors are not ensuring their employees receive the training they need to stay current on their jobs. Some 32 percent of Federal employees responding to the Board's 1992 Merit Principles Survey said that they needed more training to perform their jobs effectively. Perhaps even more importantly, 31 percent did not believe they had received the training they needed to keep pace as their job requirements have changed. And when asked what types of training they needed to perform their current jobs better, the two most common responses were technology training such as

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<sup>7</sup>U.S. Merit Systems Protection Board, "Leadership for Change: Human Resource Development in the Federal Government," July 1995, p.17

<sup>8</sup>Ibid.

computer training, and job-related skills training. (Some 47 percent of employees identified technology training, and 39 percent cited job-related skills, as the areas where they needed training.) These choices are related to the aspects of the jobs that are most likely to continue to change in the future. Unfortunately, if employees don't feel that they're keeping up with the pace of change now, the problem may only intensify in the future, unless supervisors become better at learning what training their employees need and providing or obtaining it for them.

**Performance Management.** The Board's research also reveals considerable employee dissatisfaction with the way supervisors manage performance and lends further support to the notion that in dealing with personnel issues, Federal supervisors tend to choose short term fixes over long term solutions. Respondents to the Board's 1996 Merit Principles

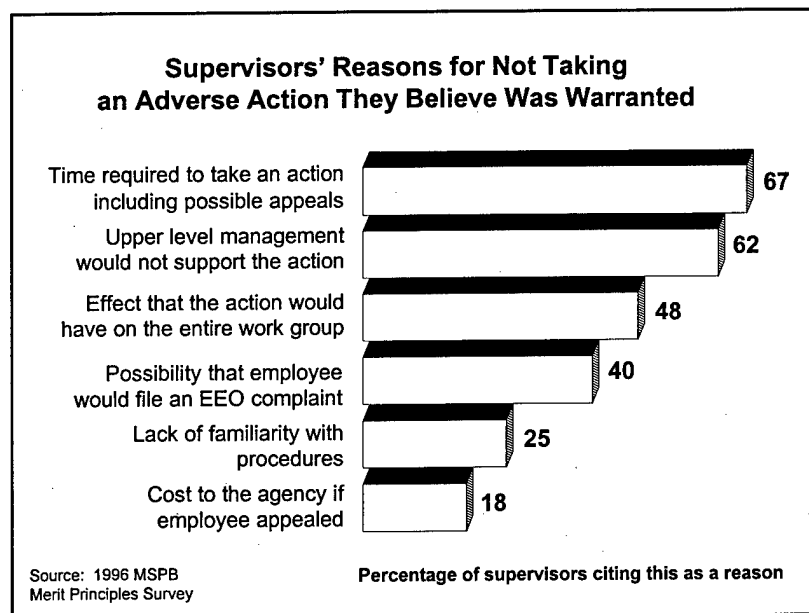
We also know from Board studies and surveys that, in spite of system changes intended to make it easier for supervisors to handle problem performers (e.g., the 1978 Civil Service Reform Act lessened the proof managers needed to justify firing a poor performer), many supervisors still feel that the performance management system frustrates their attempts to handle poor performers. For example, our 1996 Merit Principles Survey data showed that in the two years preceding the survey, 28 percent of supervisors avoided taking an adverse action that they thought might have been warranted. The accompanying figure shows a number of the reasons that these supervisors cited to explain why they did not take action against employees whose performance was poor.

As these findings suggest, supervisors do not necessarily believe it's their own fault that they are

not taking appropriate actions against poor performers. This has been corroborated by other Board data. A 1995 MSPB issue paper on removing poor performers in the Federal service listed numerous reasons supervisors cite for their difficulty dealing with performance problems: the employee's negative attitude (cited by 55 percent of supervisors queried); lack of confidence in the system for removing poor performers (34 percent); too little time to devote to the problem (33 percent); insufficient support from higher levels (26 percent); supervisor's lack of training in handling performance problems (21 percent); belief that the removal action would not be upheld (21

percent); and dislike of confrontation (20 percent).<sup>9</sup>

While supervisors attribute these problems to many causes other than themselves (for which there is undoubtedly a basis), some problems with handling poor performers also stem from supervisors' own difficulties in dealing with problem employees.



Survey rated the extent to which they believe their supervisors would take adverse actions (such as suspensions and removals) against poor performers in a fair and effective manner. The most common opinion (shared by 44 percent of respondents) was that supervisors would not exercise this authority very fairly.

<sup>9</sup> U.S. Merit Systems Protection Board, "Removing Poor Performers in the Federal Service," Issue Paper, September 1995. These findings are based on a 1994 survey of Federal supervisors concerning their handling of problem performers.

Many supervisors are uncomfortable communicating candidly with employees when the subject is the employees themselves. This is especially true when there is negative information to convey, but

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**T**he process and support received in dealing with poor performance and discipline problems have not improved and remain a major source of frustration.

*Supervisor responding  
to 1997 MSPB survey*

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even sometimes when the news is neutral or positive. And this—what essentially is a human relations problem—may be a major contributor to supervisors' difficulties, not only in handling poor performers, but in the finding that many employees (including the ones who are performing well) feel that they don't receive frequent or constructive feedback from their supervisors. For example, less than half (45 percent) of the nonsupervisory employees responding to a 1991 Board survey gave their supervisors good ratings on the task of using performance elements and standards to assess employee performance and give feedback. Additionally, when employees responding to a 1989 MSPB Merit Principles Survey were asked how likely it was that if they performed better, they would receive informal recognition (e.g., told that they were doing a good job—presumably by their supervisors), 29 percent said that it was somewhat or very unlikely that they would receive such feedback.<sup>10</sup>

In some respects the development of complex performance management systems has added to these problems. Elaborate tools designed to help supervisors manage their subordinates' performance more effectively sometimes promise more than they can deliver, particularly when they fail to address comprehensively the human relations issues that are fundamental to the problem. The myriad performance appraisal forms and systems that have

been implemented over the years can appear to be a technically correct way-out for supervisors whose inclination is to avoid uncomfortable conversations with employees about how well—or poorly—they're doing. Thus, procedures and paperwork, implemented to serve as tools to help managers communicate more productively and more frequently with subordinates seem to have become an end in themselves, and may have left some supervisors with the mistaken impression that this mechanical process is a substitute for performance management.

The performance management issue is further complicated by the possibility that some supervisors may not fully appreciate the consequences of *not* handling performance problems. Many supervisors simply ignore problem performers, or assign their work to others in the unit. This alleviates or eliminates the problem for the supervisor, because the work is still getting done, and the supervisor can avoid a possibly uncomfortable confrontation with the problem performer. However, there are long term costs associated with this approach, particularly with regard to the morale and productivity of others on the staff who may resent picking up the slack for the problem performer. Ignoring poor performance in the interest of keeping peace within the work unit is not uncommon, but it almost never results in a resolution of the performance problem, and frequently creates a negative work environment for the whole unit. And in an era of severe budgetary constraints, more and more supervisors may find that they no longer have the luxury of ignoring inadequate performers, even for a short time.

### **Factors Encouraging a Short Term Rather Than Long Term Focus**

The Board's work on the subject of supervisors' performance of personnel management tasks reveals a pattern that exists across the various personnel functions. Whether filling a job, ensuring training and development of subordinates, or rewarding and disciplining employees, supervisors seem to neglect or have difficulty focusing on the long term conse-

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<sup>10</sup> U.S. Merit Systems Protection Board, "Working For America: A Federal Employee Survey," June 1990, p. 18.



quences of the human resource management decisions they are making (or not making). What has brought about this imbalance among the supervisors' priorities with regard to human resource management? There undoubtedly are many factors that contribute to supervisors' emphasis on short term human resource management needs over strategic human resource management decision making. But our research over the years has led us to conclude that two factors in particular—organi-

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**A** poorly performing employee eats up your time, taking away from important matters and other employees. We should have greater reward/punishment abilities to promote stars and demote stiffs.

*Supervisor responding  
to 1997 MSPB survey*

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zational culture and supervisory selection practices—stimulate this imbalance. These are discussed below.

### **1. The organizational cultures within which supervisors make human resource management decisions emphasize short term results over long term outcomes.**

Every organization—whether in the public or private sector—has its own unique culture. This culture, or environment, helps determine the way in which work is carried out within the organization. An organization's culture is defined by both the written rules, policies, and operating procedures which govern how work is carried out, as well as more subtle "unwritten" rules and policies that shape how employees, supervisors, and managers do their jobs. Organizational cultures foster certain behaviors and discourage others through a host of formal and informal understandings about how individuals should perform their jobs. While managers at the highest levels of the organization are largely seen as responsible for establishing and maintaining the culture of the organization (i.e., setting the tone for how things will be done), some agencies' cultures have persisted through many changes in leadership, and sometimes persist in spite

of attempts to change those cultures. Below we discuss a few aspects of Federal agencies' cultures that have contributed to the emphasis on short term results over long term outcomes in matters of human resource management.

**Rewards and Punishments.** Even when Federal supervisors are aware of the importance of taking personnel actions that are strategically sound, their agencies may be supporting systems of formal and informal rewards and punishments that reinforce the satisfaction of short term requirements at the expense of long term outcomes. For example, a supervisor who has a poor performer in his or her work group has choices for dealing with that poor performer. The supervisor could choose to focus on an immediate solution by assigning the problem employee's work to other subordinates in the work unit. This way, the work gets done, and the supervisor is "rewarded" by favorable reviews from higher level management for accomplishing the work of the unit without disruption. (The supervisor is also rewarded by avoiding a direct confrontation with the problem employee and by preventing the negative reaction from higher level management that can result when its time is taken up by problems with poor performers.)

On the other hand, the supervisor could choose a more strategic technique—and a fairer one—by confronting the poor performer about the problem, and working with the employee to improve performance or taking action to remove the employee from the position. Prospects for ensuring the long term productivity of the work unit are better with such an approach than with assigning the employee's work to other subordinates. Workers who pick up the slack for a poorly performing employee may not be able to devote the attention needed to their own assignments and are likely to resent such an imposition if it appears to become permanent. All of which can translate into poor morale and a loss of productivity for the employees directly involved and for the entire work unit.

However, for many supervisors, taking strategic actions such as removing a poor performer from the agency can mean disincentives in the form of the time-consuming documentation that some

agencies require for taking action against an employee, or a lack of support for those actions by higher level management. Even supervisors who are very sensitive to the long term effects of their personnel actions learn quickly when their agency management would rather bury performance problems than take adverse actions that the poor performers might challenge. As we noted in a 1995 MSPB issue paper,<sup>11</sup> some supervisors report a belief (no doubt shared by higher level management in their agencies) that the Board will overturn agency decisions to take adverse actions against employees. While the Board, by statute, ensures the due process rights of employees who have had an adverse action taken against them (such as removal for poor performance), the Board sustains removal of inadequate performers who cannot or will not improve their performance to meet required standards. As the issue paper noted, agency officials estimate that only about 20 percent of all removals and demotions are appealed; of this small number, penalties are reduced or actions are reversed only about 17 percent of the time.<sup>12</sup> Nonetheless, many upper level managers apparently do not encourage their agencies' supervisors and managers to take adverse actions, even though many supervisors would prefer management that is more supportive of their decisions regarding poor performers. Agency cultures that foster systems of rewards and punishments such as these encourage short term solutions, rather than actions that contribute to long term mission accomplishment.

**Budget Cycle.** Agency incentives and disincentives are not the only aspects of agency culture that lead supervisors to emphasize the short term. The budget cycle under which Federal agencies must operate also contributes to this situation. Because agency supervisors must make human resource management decisions within the confines of the current fiscal year's budget (which can produce an atmosphere of "spend it or lose it"), it is often difficult for these decisions to emphasize anything but immediate issues. For example, when faced with a vacant job that—if not filled—might disap-

pear because of impending budget cuts or lack of funding in the next fiscal year, the supervisor might be tempted to cut corners in the recruitment and assessment phase of the selection process, in order to get someone on board quickly. While satisfying the short term consideration, i.e., saving the position, the supervisor may end up with an employee ill-suited to handle future needs of the organization. The National Partnership for Reinventing Govern-

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**T**raining provided to new supervisors is virtually nonexistent. I don't consider a correspondence course to be adequate.

*Supervisor responding  
to 1997 MSPB survey*

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ment (NPR)—formerly known as the National Performance Review—argues for establishment of biennial budgets to address some of the problems created by the current budget cycle. As the 1993 NPR report noted, "Annual budgets take up an enormous amount of management time—time not spent serving customers."<sup>13</sup>

**Other Cultural Factors.** Agencies also sometimes set conflicting priorities for their supervisors and managers. For example, upper level agency management may tell supervisors and managers that it is important for them to fill jobs quickly because of budget considerations, but at the same time stress the importance of casting a wide net when seeking job applicants (which often adds significantly to the time required to fill the job). Without consistent guidance, it is only natural that time pressure demands capture supervisors' attention more easily than selection procedures that strive for legal and social ideals but that may be difficult to operationalize and hard to appreciate. Therefore, it is not surprising that supervisors typically choose the quickest methods to fill vacancies, even if it means cutting corners in the selection process and

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<sup>11</sup> U. S. Merit Systems Protection Board, "Removing Poor Performers..." op. cit.

<sup>12</sup> Ibid., p. 6.

<sup>13</sup> National Performance Review, "Creating a Government that Works Better and Costs Less," September, 1993, p. 17.

making decisions that are not in the agency's best interests in the long run.

It is also possible that the culture that emphasizes short term accomplishments exists because there are not enough real champions among the agency's upper level management for taking a long term view when making human resource management decisions. In the press of day-to-day business, supervisors can be driven to take the short term route for a variety of reasons (such as budget

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Supervisors should be given a standardized training curriculum when they are promoted to the supervisory level. There is too much that can be avoided if supervisory training is given at the beginning as opposed to doing the best you can and relying solely on instinct and talent. Many good professionals are turned off very early in their careers because of adverse employee situations they are forced to deal with, without training.

*Supervisor responding  
to 1997 MSPB survey*

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considerations) and frequently there aren't enough reminders of why taking a more strategic approach to those day to day decisions will help the agency in the long run.

Additionally, with the tenure of political appointees in Federal agencies averaging about 24 months, it stands to reason that the champions of a longer term view of human resource management decision making must come from the ranks of the agency's career managers. However, many of the upper level career managers in Federal agencies rose within the same organizational cultures as today's supervisors and lower level managers, and may not have acquired a full appreciation for the relation-

ship between the human resource management decisions they make and what their agencies are able to accomplish in the long run. The system under which they progressed would have affected them in the same way it affects today's line supervisors.

**2. The way we select supervisors does not assure that we are getting individuals who are sensitive to human resource management issues and appreciate the importance of long range human resource management decision making to organizational goal accomplishment. Further, once employees are assigned to supervisory positions, they are not always adequately trained in managing people.**

Another reason supervisors have a fairly short term perspective on human resource management tasks is that many of them may not appreciate the full range of responsibility of their jobs. That is, supervisors may not understand that good supervision involves more than just assigning and monitoring the technical work of subordinates. Human resource management tasks, done well and with sensitivity to strategic issues, make possible the successful accomplishment of the technical work and long term health of the unit. But not all supervisors see this connection. As we have noted in previous Board reports, individuals often are chosen for Federal supervisory jobs primarily on the basis of their technical expertise rather than on their supervisory or managerial potential.<sup>14</sup> Also, agencies do not always encourage the individuals who are most qualified to fill supervisory positions to seek those positions (i.e., most qualified in terms of possessing personnel management abilities or people skills that equal their technical excellence). The result of this situation is that some supervisors have problems managing their employees even with respect to the short term issues. Not surprisingly, then, tackling human resources issues strategically is even more challenging for them.

**Filling Supervisory Jobs.** One reason individuals assigned to supervisory jobs may lack adequate knowledge, skills, and abilities is that, when man-

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<sup>14</sup>U.S. Merit Systems Protection Board, "First-line Supervisory Selection in the Federal Government," June 1989.

agement fills a supervisory job, assessing the candidates' potential for managing people is usually more difficult than assessing technical expertise. Also, many nonsupervisory employees—who are candidates for supervisory jobs—have few opportunities to display the knowledge, skills and abilities typically associated with supervisory potential. Further, because of grade and salary structures in the Federal Government, sometimes the only way management can provide higher compensation to top technical performers is to assign them to supervisory positions. For all these reasons, individuals sometimes find themselves in supervisory jobs without a full understanding of what it really takes to do the job well.

**Training Supervisors.** Once assigned to supervisory jobs, these individuals are unlikely to be taught the fine points about the relationship of their human resource management tasks to the accomplishment of the work that's critical to the organization. If supervisors receive formal training in their new jobs, the training often covers only their *responsibilities* for various human resource

management tasks (e.g., the supervisor is responsible for completing a performance rating form on each subordinate by a certain date, or the supervisor is responsible for approving training requests), without adequate attention to why such tasks need to be performed and how they directly affect the quality of the work unit's performance.

Even if supervisors know what their human resource management tasks are, they may not fully appreciate the systems of which the tasks are a part, the rationale for the systems, and how the systems affect the overall efficiency of the work unit and the long term health of the agency and its programs. They need to understand public policy goals as those goals relate to their human resource management operational needs, and they need to understand the long term impact of the day-to-day decisions that they make. An appreciation for the interplay of issues would help provide them with the impetus to adopt a long term perspective when making personnel decisions, thus making them better supervisors.

## Environmental Factors That Heighten the Imbalance Between Short and Long Term Goals

The evidence we have discussed strongly suggests that Federal supervisors are not performing their human resource management responsibilities in ways that consistently contribute to their agencies' accomplishment of long term goals. Unfortunately, in today's Federal environment, there are factors (cited below) that will exacerbate this situation because they place additional human resource management responsibilities on supervisors who may not know how to strike the right balance between short term and long term goals.

**Decentralization and delegation of human resource management.** The responsibility for human resource management activities is becoming more decentralized. Instead of centrally conducting some of these activities such as applicant examining, the Office of Personnel Management is delegating

many HRM responsibilities to the Federal departments and independent agencies. Many departments and agencies are further delegating these responsibilities from their agency heads and personnel offices to individual supervisors. While supervisors have always had direct responsibility for some functions such as assigning work, appraising performance, and approving leave, they are now responsible for human resource management activities previously conducted in most agencies only by personnel offices.

With these new authorities, it becomes even more important for managers and supervisors to understand the importance of long range goals and when those goals should take precedence over short term needs. For example, some managers have now been delegated the authority to approve hiring bonuses.

Hiring bonuses take—from current budgets—funds that agencies may feel they need to achieve their immediate objectives. But if using those funds will secure the services of an outstanding candidate, then the long term productivity gains associated with that hire could easily outweigh the short term uses for the money.

Increased delegation of personnel authorities also may mean that supervisors who assume these authorities have less time than ever to deal with individual human resource management decisions. This could result in supervisors being more inclined to quickly satisfy their organizations' immediate needs rather than taking the time to weigh the costs and benefits of long term versus short term solutions. Thus, time and workload may adversely influence how readily supervisors take a strategic approach to human resources issues.

**Downsizing and delayering.** Another factor that will make it more difficult to achieve the appropriate balance between short and long term needs concerns the downsizing of the Federal workforce. From 1992 to 1997, the size of the Federal workforce decreased by over 316,000 employees,<sup>15</sup> with certain job categories shrinking more than others. Primarily as a result of recommendations made by the NPR, we are seeing a greater decrease in the number of administrative support positions (including personnel office staff). The downsizing of personnel office staffs—with fewer staff available to assist supervisors—is intended to be offset by the delegation of increased personnel authorities to supervisors. However, our recent survey of Federal supervisors found that they still feel they need help from their personnel offices when taking certain personnel actions (most notably performance-based actions). In situations in which supervisors are shouldering more personnel responsibility and are left with less HR staff assistance, it would not be

surprising if short term solutions were favored over more time-consuming long term goals.

Along with support staff reductions, there has also been a decrease in the number of supervisory positions. This downsizing of supervisory positions, first recommended by the NPR, and later reiterated by the President in a memorandum instructing agency heads to halve the ratio of supervisors and managers to other personnel within five years,<sup>16</sup> was intended to empower employees to take on more responsibility for managing their own work. According to the NPR, removing a layer of oversight (i.e., reducing the number of supervisors and supervisory levels) will enable employees to make fuller use of their abilities and increase productivity.<sup>17</sup> However, having more employees to supervise is likely also to mean that the remaining supervisors will have many more personnel management decisions to make. This, for many supervisors, will translate into “more work in less time.” Thus, supervisors may have to fight even harder to resist time pressures and the kinds of decisions that represent quick fixes but create problems in the future.<sup>18</sup>

When there is no growth in the workforce, as is the case when downsizing is occurring, supervisors need more than ever to ensure that each employee is as productive as possible, and is prepared to adapt to changing job requirements. When agencies are in growth modes, and can afford to hire new employees to meet new job demands, it may not seem quite as important to hire with long term expectations in mind, and to develop current employees to meet long term needs. When an agency is getting smaller, however, supervisors need to be much more concerned about how they use the talent that they have on their staffs, and it is critical that any staffing, employee development, and performance management decisions be made with a long term perspective in mind.

<sup>15</sup> *Budget of the United States Government, Fiscal Year 1999*, February 1998, pg. 33.

<sup>16</sup> Shoop, Tom, “Targeting Middle Managers,” *Government Executive*, January 1994, pp. 10-15.

<sup>17</sup> National Performance Review, “Creating a Government that Works Better and Costs Less,” September, 1993, pg. 66-67.

<sup>18</sup> It should be noted that the planned reduction in supervisory ranks has not yet materialized. According to data obtained from OPM's Central Personnel Data File, the ratio of employees to supervisors in the full-time permanent workforce changed only from 6.07 to 7.08 between 1992 and 1997. However, this slow rate of change in the ratio may be largely due to the reductions in the nonsupervisory workforce that have taken place concurrently with the supervisory reductions over the last five years.

## Recommendations for Addressing the Imbalance

To achieve an appropriate balance between today's human resource management requirements and tomorrow's demands, supervisors must work within an organizational culture that supports such a feat. A successful balance between short term human resource management needs and long term human resource management goals will require changes in organizational cultures and in the approach to supervision. Such changes do not happen overnight. However, by taking some of the positive steps outlined below, Federal agencies, the Office of Personnel Management (OPM), and the Office of Management and Budget (OMB) can help enable Federal supervisors to do their jobs more effectively. These actions can build on the foundation laid by Congress when it passed the Government Performance and Results Act (GPRA) to provide Federal agencies with a results-based management system designed to help agencies achieve their long range goals.

**1. Corporate cultures within Federal departments and agencies need to encourage and support supervisors in making human resource management decisions that give weight to strategic goals for the organization (and the agency or department as a whole) as well as the short term goals of the work unit. Agency managers, OPM, OMB, and Congress all have a role to play in bringing about this change:**

- ◆ Agency managers need to gain a better understanding of the rewards and punishments supervisors experience as a result of the decisions they make. Agencies should apply this understanding to modify those rewards and punishments to reinforce human resource management decision making that emphasizes long term consequences of decisions in addition to immediate results.

- ◆ Managers need to use their agencies' Government Performance and Results Act strategic plans as vehicles to help change the corporate culture.

The plans should align human resource goals with agency strategic goals, addressing, for example, how the agency will manage the workforce to ensure that employees have the qualities that will enable them to achieve the agency's strategic goals.<sup>19</sup> Also, agency managers need to ensure that supervisors are involved in the strategic planning process, and fully understand how the human resource management actions they take ultimately affect the accomplishment of agency objectives.

- ◆ The Government needs champions for long range human resource management planning and decision making. Specifically:

- ◆ The Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) should champion strategic human resource management planning and decision making. OPM and OMB need to specifically assist departments and agencies in taking a long range planning perspective when making human resource management decisions and should encourage agencies to modify their internal systems of rewards and punishments, as needed, to emphasize a strategic perspective with regard to human resource management decisions. OPM should take a more active role in ensuring that personnel staffs within agencies have the technical expertise and the strategic perspective they need to help supervisors and managers make sound personnel management decisions. And because agencies' political appointees are of relatively brief tenure (compared to career appointees), it is critical that OPM and OMB give special attention to providing them with practical information about the advantages of taking a long term view of human resource management. OPM and OMB should jointly provide training/orientation programs for new appointees that institutionalize the value of strategic HRM decision making. Such an orientation could serve as a useful counterbal-

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<sup>19</sup> The Government Performance and Results Act, passed in 1993, requires all Federal agencies to develop long-range, comprehensive strategic plans stating their missions and major objectives. Currently, the strategic plans of the 23 largest department and agencies, submitted to Congress in September 1997, do include some mention of human resource management goals, but the plans vary greatly in their presentation of the goals and strategies delineated and in the connections made between those outcomes and other mission related outcomes.

ance in political appointees' decision making process as they strive to produce results quickly, an approach that tends to emphasize the more immediate personnel management concerns.

- ♦ In order to ensure that HRM is dealt with strategically by all levels of management, including political appointees, agency leaders should assign their organization's chief human resource management officials the role of advocate for the long range perspective on human resource management. These champions of strategic HRM would be responsible for assuring that agency management, both political and career, understand the role of HRM plans, programs, and decisions in achieving the agency's long term goals.

- ♦ Because of its continued interest in the oversight of agencies' strategic plans (mandated by GPRA), Congress is in a position to have perhaps even greater impact on agencies' refinement of their corporate cultures than was seen with the initial passage of GPRA. In connection with its review of agency strategic plans, Congress could call for human resource management plans or initiatives that demonstrate how agencies will manage the workforce to achieve the long range goals they have set for themselves. For example, does the strategic plan mention how the agency plans to ensure that its workers have and maintain the qualities and characteristics that will enable them to achieve particular mission-related goals?

## **2. Agency managers and the Office of Personnel Management need to refocus supervisory training on the kinds of human resource management actions supervisors can take (or decisions they can make) that will help them shift their overall emphasis towards long range needs.**

When new supervisors are trained in their human resource management responsibilities, there should be a strong emphasis on the importance of a strate-

gic approach to human resource management decision making. For example, when instructing new supervisors about procedures for developing their subordinates, supervisors should be exposed to more than just the process for requesting training and the various sources of training delivery for their subordinates. Supervisors should be taught how to determine training needs and plan the kind of training and development that will give their work units (and the entire agency's workforce) the skills needed to adapt to changing job requirements. Such supervisory training might also emphasize to supervisors the importance of incorporating training needs and plans into their agencies' strategic plans, to ensure that all parties share the same vision for how the workforce is to be developed. While some agencies may provide such training for new supervisors, this level of instruction clearly is not given to most Federal supervisors.

## **3. Agency managers need to select supervisors who have the ability and desire to manage human resources and can see the connection between that responsibility and the organization's ability to achieve its long range goals.**

Hiring the right people for supervisory jobs means that agencies must ensure that systems that exist for selecting supervisors focus on critical supervisory skills and abilities to the same degree that they focus on technical expertise. Additionally, agency managers must recognize that not everyone who is currently a supervisor is really well-suited to supervise, and some supervisors who may have performed adequately in the past may not be able to adapt to the changes that are now beginning to affect the supervisor's job. Agencies should be planning for how they will deal with these individuals (e.g., develop new roles for them, such as nonsupervisory technical experts to advise the work group). Along the same line, agencies should be seeking ways to reward their best technical performers by means other than promoting them into supervisory or managerial positions, for which they may not be well-qualified.